

Doc File 1917

Phonograph Manufacturers (July)

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July 31, 1919

Mr. Thomas A. Edison:-

Referring to the letter which we recently received from Judge Hughes in which he states that the Attorney General has decided not to take the proposed decree against Thomas A. Edison, Inc. The facts leading up to this decision are as follows:-

After the decision of the Supreme Court was handed down in the Colgate case, Judge Hughes had a conference at the Department of Justice with Mr. Ames and Mr. Mitchell who were in charge of the case against this company. I annex hereto a copy of Judge Hughes' letter in regard to this matter, and also a copy of the proposed decree which was agreed upon at that time and which you will see would give us all the rights to which we are entitled under the Colgate decision.

This conference was on June 23rd. On July 10th, Mr. Ames wrote to Judge Hughes stating that further consideration had been given to the question of whether under all the circumstances a decree should be taken, and inquiring whether or not Judge Hughes had stated that all of the practices complained of and which are enjoined by the decree had been discontinued by the company, and that it was not its purpose to resume them, etc. I enclose copy of said letter. Judge Hughes replied under date of July 15th in which he states that he is assured by the Edison Company that it has no intention to resort to practices which would be prohibited by the decree (this means the decree a copy of which is annexed to this memorandum) or be condemned by the line of cases which culminated

in the Boston Store case, or in any manner to violate the law. Judge Hughes thereafter received Mr. Ames' letter of July 21, 1919 to the effect that he had decided not to take the decree. Copy of this letter is also annexed.

This means, of course, that we are not to enter into any price agreements such as we formerly operated under, but that we have the right under the Colgate decision to refuse to sell or to quote prices at which we recommend resales may be made without, however, obligating the purchaser to resell at the indicated prices.

Delos Holden

C.C. to Messrs. Chas. Edison,
Maxwell and Mambert